

OFFICE OF THRIFT SUPERVISION

Approval of Application to Establish an Operating Subsidiary

Order No. 2000-37

Date: April 7, 2000

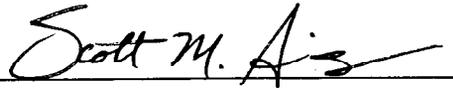
First Federal fsb, Hutchinson, Minnesota (the Savings Bank) has applied to the Office of Thrift Supervision (OTS), pursuant to 12 U.S.C. § 1828(m) and 12 C.F.R. Part 559, to establish an operating subsidiary, Homeowners Mortgage Corporation (HMC).

The OTS has considered the application under the standards set forth at 12 C.F.R. Part 559. In addition, the OTS has considered the digests prepared by the Midwest Regional Office and the Office of Examination and Supervision, and a legal opinion from the Business Transactions Division (collectively, the Staff Memoranda).

For the reasons set forth in the Staff Memoranda, the OTS has concluded that the establishment of the operating subsidiary would comply with all applicable statutes and regulations. Accordingly, the application is hereby approved, provided that the following conditions are complied with in a manner satisfactory to the Midwest Regional Director, or his designee (Regional Director):

1. The transfer of HMC must be completed in accordance with Generally Accepted Accounting Principles; and
2. For a one year period following the transfer of HMC, the Savings Bank must provide monthly copies of HMC's financial statements to the Regional Director.

By order of the Director of the Office of Thrift Supervision, or her designee, effective
April 7, 2000



Scott M. Albinson
Managing Director